

Testimony in favor Land Bank Legislation – RB 5425

By the Connecticut Economic Development Association

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By: John A. O'Toole, CEDAS Policy Chairman

The Connecticut Economic Development Association (CEDAS) is support of RB 5425, Improvements to the land bank legislation. Increasingly land banks are being used throughout the United States to move brownfields from blight and inactivity to points of pride, places of commerce, and revenue generators. According to the Buffalo Erie Niagara Land Improvement Corporation, The following benefits are attributable to land banks:

1. ONE-STOP SHOP: A land bank places all the tools to deal with distressed properties in one place ... a one- stop shop for tackling vacancy and blight.
2. TAX REVENUE: Since land banks can speed up the process for converting vacant, abandoned, and foreclosed properties to productive use, the local government will experience an increase in property tax revenue generated by those parcels.
3. COST SAVING: Local governments are able to reduce costs associated with added police services, emergency protection, inspections, etc. now required in blighted neighborhoods.
4. MAINTENANCE: Provides maintenance services for vacant lots and abandoned properties.
5. DEMOLITION: Able to undertake selective demolition of structures that are in serious disrepair.
6. FUNDING: Able to obtain outside financial resources to further its goals and supplement the revenue it receives through day-to-day operations.
7. PARCEL ASSEMBLY: The land bank can assemble and hold parcels that are in close proximity to one another for future transfer to a developer for housing, retail, and other purposes.
8. LIABILITY: By transferring problem properties to the land bank, local government would no longer be liable for claims brought against them by entities that may have been damaged as a result of their exposure to vacant and abandoned properties.
9. SPEED: A land bank can shorten existing foreclosure processes and speed up the return of vacant, abandoned, and tax delinquent properties to productive use.
10. AFFORDABLE HOUSING: Affordable housing opportunities can be created through the land disposition policies of a land bank. Priority in the conveyance of property can be given to non-profit community organizations willing to construct or rehab the abandoned parcel for the benefit of low-income families.

The recommended technical edits will recognize Connecticut Land Banks and allow land banks to:

- Forgive all or a portion of the principal balance and interest due on delinquent property taxes in an effort to move properties forward
- Gain access to properties to do necessary investigations in order to move properties and neighborhoods forward
- Extend the limit of liabilities to Connecticut brownfield land bank – they shall only be responsible for responding to contamination exacerbated by its activities.

Thanks for your consideration of this testimony. If you have any questions please don't hesitate to contact me.

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